

PROJECT CHARTER

1. Project Purpose and Background Information

This charter documents the common understanding between the Commonwealth and Pacific Technologies Incorporated surrounding the purpose and management of the **2012 Commonwealth Information Technology (IT) Assessment**. The contents of this charter may also serve as a blueprint for future actions based on the recommendations resulting from this effort.

The purpose of the project is to generate recommendations that drive the development of a Commonwealth IT Management Framework that will guide the governance and management of the Commonwealth's IT assets, systems and resources in the future.

The Commonwealth Information Technology Assessment Initiative was identified as a priority action item by the Smart Government Initiative workgroup created by Governor Beshear in 2010. Staff from the Finance & Administration Cabinet, Commonwealth Office of Technology (COT) and several agencies developed a competitive solicitation that resulted in a contract being awarded to Pacific Technologies, Incorporated, on December 1, 2011. This company is located in Bellevue, Washington. It focuses on public sector information technology and has completed similar statewide assessments for the states of Washington, Alaska and North Dakota. More information about PTI is available at <http://pti-consulting.com/>.

2. General Information and Stakeholder Overview

Project Name: Commonwealth Information Technology Assessment

Executive Sponsor: Mary Lassiter, Secretary of the Cabinet

Project Chair: Lori H. Flanery, Secretary; Finance and Administration Cabinet

Major Stakeholders:

- Cabinet Secretaries - All
- Office of State Budget Director - Leadership and Cabinet Budget Analysts
- Cabinet Budget Organizations
- Cabinet/Agency CIOs, Management and Staff
- COT Directors, Management and Staff

Project support is provided by staff from the Finance and Administration Cabinet and COT. They work at the direction of the leadership team to prepare project related communications, assist in training/interviews and perform all other project administration duties.

3. Business Rationale, Goals and Project Timing

The **business rationale** for conducting this assessment includes:

- Assurance of Objectivity - Obtain an objective assessment leading to actionable recommendations that are free from internal bias or influence
- Executive Branch budget pressures and leadership expectations require an in-depth evaluation of operational efficiency and funding model for IT services
- Evolving sourcing alternatives for IT services may provide opportunities for the Commonwealth to improve IT service and efficiency

2012 Commonwealth Information Technology Assessment

- Adapting to changes in IT infrastructure capacity and management capabilities may offer additional operational benefits
- Evaluation of current IT practices may suggest valuable improvements to the current governance structures, practices, and sourcing strategy
- Objectively respond to cabinet/agency IT organizations questions and concerns about the cost/value proposition inherent in Commonwealth Office of Technology services and rates
- Assess the current IT leadership model and governance structures (COT and Cabinets) and its effectiveness
- Assess the ability, potential responsiveness and flexibility of the current structure to adapt to change as a result of internal planning, leadership decisions and outside market forces

Long-term **goals** include:

- Improve the delivery of IT services across all Cabinets and agencies
- Reduce redundancy and duplication of effort
- Improve customer service and convenience
- Simplify operations support
- Target and prioritize changes that have the potential to lower statewide IT operational costs
- Clearly define the roles and responsibilities for IT leadership and decision making in the Executive Branch

The **timing** of this assessment facilitates the following over-arching leadership concerns:

- Strategic Timing – The delivery of the assessment and recommendations support strategic planning efforts in mid-2012 that will influence future action plans
- Organizational and Structural Adjustments – Identifying needed structural, organizational or leadership refinements early in the four-year administration period will allow sufficient time for the implementation of these targeted changes
- The timeframe described in this document does not include efforts to implement recommended and necessary changes. The implementation method and timeline will be determined by the recommendations contained within the final report.

4. Project Governance and Decision Making

The scope of this project is restricted to the engagement with PTI that ends on June 30, 2012. As specified in the vendor's contract with the Commonwealth, the executive sponsor and project chair are the primary decision-makers regarding the execution of the Commonwealth IT Assessment.

5. Assessment Approach and Methodology

The following is an outline of the approach that the vendor will use to develop the findings and assessment recommendations.

Project Organization and Data Collection

- Organize Project Teams - Commonwealth and Vendor
- Develop and Distribute Information Request - Data Collection Tool
- Conduct Project Kickoff and Develop a Project Charter
- Review and Benchmark State and Cabinet/Agency Statistics, Data and Documentation

2012 Commonwealth Information Technology Assessment

- Conduct Interviews – Representatives from all Stakeholder Groups

Analysis and Benchmarking

- Conduct Commonwealth IT Best Practices Research
- Evaluate Current IT Governance – Structure and Processes
- Analyze IT Funding and Spending
- Assess IT Organization/s and Service Delivery Capacity
- Assess IT Workload Drivers

Findings and Recommendations

- Develop Findings
- Conduct Findings Validation Workshops – SGI IT Governance Committee & Other Leadership
- Develop IT Sourcing Evaluation Indicators
- Develop Recommendations and Conduct Validation Workshop
- Prepare Final IT Assessment Report
- Deliver Final Report and Presentation

PTI will use proprietary data analysis processes and content as well as benchmarks developed and published by the **National Association of State Chief Information Officers (NASCIO)** as a major source against which to compare Commonwealth outcomes and prepare the findings and recommendations.

6. Project Phases/Tasks and Major Timeframes

The major project milestones and target dates for the Commonwealth include:

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| • Project start-up | December 2011 |
| • Data collection and interviews | January 2012 |
| • Findings Validation Workshop | March 2012 |
| • Recommendations Validation Workshop | April 2012 |
| • Review the First Draft of the Assessment Report | May 2012 |
| • Review Final Assessment Recommendations | June 2012 |

As noted in Section 3, the timeframe described in this document does not include efforts to implement recommended and necessary changes. The implementation method and timeline will be determined by the recommendations contained within the final report.

7. Project Scope and Supplemental Data Sources

The scope of the project includes the Executive Branch Cabinets only. Offices of elected officials and other branches of government are not intended to be part of this assessment.

In addition to the PTI data collection tool completed by each Cabinet or agency, the following systems and data sources will be used during the assessment:

2012 Commonwealth Information Technology Assessment

- **eMARS Expenditure Information** – Time periods for expenditure data generated from eMARS will include FY'11 and YTD FY'12
- **Kentucky Human Resources Information System (KHRIS)** – Point-in-time extract files from the KHRIS system will be used to produce statistical and cost information for employees in the IT and IT associated classification series
- **IT Contractor Information** – Statistical reports will be produced to show the number of contractors and the cost of these resources by cabinet/agency. The source of this data will be the monthly reports supplied by the three (3) System Design Services (SDS) contract providers.

8. Project Funding

This project is NOT funded with technology funds collected via the COT billing process. The fixed **cost for this project is \$314,095.**

9. Assumptions and Risks

Risks regarding the Commonwealth's return on the investment associated with this project are low, but not completely absent. Commonwealth leadership must be diligent to ensure that cabinet and agency staff remains available and engaged to actively participate in a timely fashion.